GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1564
ANSWERED ON:03.05.2016
MSP for Potato and Onion
Patel Shri Dilip

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the Government is aware that farmers are compelled to sell their produce at prices below the production cost thereby incurring huge losses, if so, the details thereof;

(b) whether the Government is considering to bring agriculture produce system like potato and onion under the Minimum Support Price (MSP) to provide remunerative prices to the farmers;

(c) if so, the details thereof; and

(d) the other corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): As per the latest data available for cost of production, a comparison of the cost of production and the average wholesale price of onion and potato in the major producing states is given at Annexure.

(b) to (d): Government provides Minimum Support Price for major food grains required for national food security and for important commercial crops. There is no MSP for potato and onion. However, the Department of Agriculture & Cooperation and Farmers Welfare is implementing the Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities, which are generally perishable in nature. The basic objective of MIS is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production. The MIS is implemented on the specific request of the State Government/UT Administration willing to share loss with the Central Government on 50:50 basis (75:25 in case of North Eastern States). In addition, States/ UTs have been advised to amend their respective State APMC Acts on the line of Model Act, 2003. Recently, a pilot project on e-trading platform for the National Agricultural Market has been launched in 21 mandis from 8 states.